

September 24, 2001

The Honorable R. Glennwood Lookabill
Clerk of the Circuit Court
County of Pulaski

Board of Supervisors
County of Pulaski

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court of the County of Pulaski for the period July 1, 2000 through June 30, 2001.

Our primary objectives were to test the accuracy of financial transactions recorded on the Court's financial management system; evaluate the Court's internal controls; and test its compliance with significant state laws, regulations, and policies. However, our audit was more limited than would be necessary to provide assurance on the internal controls or on overall compliance with applicable laws, regulations, and policies.

The results of our tests found the Court properly stated, in all material respects, the amounts recorded and reported in the financial management system; and no instances of noncompliance with applicable laws, regulations, and policies. However, we noted a weakness in internal controls that the Clerk needs to address as described below.

Strengthen Controls Over Bank Reconciliations

The Clerk needs to further strengthen the bank reconciliation process. The Clerk could not provide evidence of a completed bank reconciliation for three of 13 months tested. We also found that the Clerk reconciled the bank account up to 45 days late in three other months. Finally, the Clerk had an unexplained \$49 reconciling item at the end of the audit period. A proper bank reconciliation includes promptly identifying and resolving differences between the bank balance and the system's cash balance. The Clerk should reconcile the bank account each month within a week of receiving the bank statement. Additionally, the Clerk should maintain supporting documentation for such reconciliations. Failure to properly reconcile the bank account increases the risk of improprieties going undetected.

We discussed these comments with the Clerk on September 24, 2001 and we acknowledge the cooperation extended to us by the court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:aom

cc: The Honorable J. Colin Campbell, Chief Judge
Peter Huber, County Administrator
Bruce Haynes, Executive Secretary
Compensation Board
Don Lucido, Director of Technical Assistance
Supreme Court of Virginia
Martin Watts, Court Analyst
Supreme Court of Virginia
Paul Delosh, Technical Assistance
Supreme Court of Virginia
Director, Admin and Public Records
Department of Accounts